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EXAMINER

THOMPSON JR, FOREST

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3625

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BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Paper No. 25

Application Number: 09/342,866
Filing Date: June 29, 1999
Appellant(s): LIN, WAYNE W.

Neal M. Cohen
For Appellant

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GROUP 3600

EXAMINER'S ANSWER

This is in response to the appeal brief filed 08/05/2002 (see Paper #24).

(1) *Real Party in Interest*

Appellant's statement of real party in interest is correct.

(2) *Related Appeals and Interferences*

A statement identifying the related appeals and interferences which will directly affect or be directly affected by or have a bearing on the decision in the pending appeal is contained in the brief.

(3) *Status of Claims*

The statement of the status of the claims contained in the brief is correct.

(4) *Status of Amendments*

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) *Summary of Invention*

The summary of invention contained in the brief is correct.

(6) *Issues*

The appellant's statement of the issues in the brief is correct.

(7) Grouping of Claims

Appellant's brief includes a statement that claims 1-15 and 17-44 do not stand or fall together and provides reasons as set forth in 37 CFR 1.192(c)(7) and (c)(8).

(8) Claims Appealed

The copy of the appealed claims contained in the Appendix to the brief is correct.

(9) Prior Art of Record

4,850,007	MARINO et al.	7-1989
5,855,008	GOLDHABER et al.	12-1998
5,269,521	ROSSIDES	12-1993
5,816,918	KELLY et al.	10-1998

"Allotafun! To Develop Extensive Toy Internet Site" PR Newswire (Dec 03, 1998), pp.

1-2

Rockoff, Todd E.; Groves, Michael; "Design of an Internet-based system for remote Dutch auctions;" Internet Research: Electronic Networking Applications and Policy, vol. 5, no. 4 (1995), pp. 10-16

(10) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claims 1-15 and 17-44 are rejected under 35 U.S.C. 103. This rejection is set forth in prior Office Action, Paper No. 22.

(11) Response to Argument

Note: The following sub-sections under section XI of the Examiner's Answer are numbered to correspond to the appropriate sub-section of section VIII of the Appellant's Appeal Brief.

A. Appellant argues, on pg. 6-7, Claim 1 recites "determining the price of [a] product [...] said price being [...] scaled to the performance of [a] buyer [...] while participating in a Price-Determining Activity (PDA)."

The Examiner has relied on Marino et al as teaching or suggesting these limitations (Office Action, {section} 4), and based on that reliance the Examiner then rejected Claim 1 and all claims dependent thereon as stated above. Appellant respectfully disagrees with the Examiner, because: 1) Marino et al is a non-analogous reference for the purpose of determining the obviousness of Appellant's claims; and 2) Marino et al does not teach or suggest "determining the price of [a] product [...] said price being [...] scaled to the performance of [a] buyer [...] while participating in a Price-Determining-Activity (PDA)."

Examiner disagrees. Examiner notes that the claim 1 language actually states:

- *accepting a second request from the buyer to allow the price to be determined based upon a performance of the buyer while participating in a Price-Determining-Activity (PDA);*

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- determining the price of the product based at least partially upon the data received, said price being within the price range and scaled to the performance of the buyer (emphasis added).

Examiner asserts that the language of Goldhaber et al. and Marino et al. identified in the last Action (see Paper #22) discloses these aspects. Therefore, Examiner maintains the rejection.

Additionally, Marino et al. is analogous art because it discloses the claimed features while participating in a sale of a product (or service) in the context of a telephone call to be charged at a reduced charge rate, based on the performance of the caller in the price determining activity, as identified in Paper #22. Marino et al. discloses:

- billing may be a rate reduction per call or a monthly credit towards some toll service. It is also possible that coupons good for the purchase of merchandise or services could be the form, in whole or in part, in which the caller receives value for his cooperation (col. 2 lines 36-40);
- the local telephone station 11 is used by a local telephone customer, indicated schematically, to whom the billing will be returned which shows his reduced telephone toll charge rate or, alternatively, the lump sum credits he is receiving for listening to, or watching, advertising messages from advertising message system 13 (col. 2 lines 62-67); and
- particularly at the end of each advertisement, one might expect that the customer could be asked to press, for example, the number 9 on his telephone keypad. Also,

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content in the ad may be arranged hierarchically so that customer can press a button to hear more details of the ad for which more credit can be given (col. 2 lines 22-29).

Examiner asserts that this disclosure is analogous art to the claimed aspects of the invention.

Therefore, Examiner maintains the rejection.

1. **Appellant argues**, on pg. 7, "USPTO policy is to follow *Graham v. John Deere* in the consideration and determination of obviousness under 35 U.S.C. 103." (MPEP 2141) The *Graham* standard of patentability to be applied in obviousness type rejections includes determining the scope and content of the prior art. In making the determination of the scope of the prior art, "The Examiner must determine what is analogous prior art for the purpose of analyzing the obviousness of the subject matter at issue. In order to rely on a reference as a basis for rejection of an applicant's invention, the reference must either be [a] in the field of applicant's [appellant's] endeavor or, if not, then be [b] reasonably pertinent to the particular problem with which the inventor was concerned." (MPEP 2141.01 (a) [case citations, and internal quotes omitted].) Furthermore, [c] the USPTO classification is some evidence of "non-analogy" or "analogy" of references and cross-references. (MPEP 2141.01(a).)

Examiner disagrees with appellant's conclusions. Examiner notes that the claim 1 language actually states:

A method of doing business over a global communications network comprising the steps:

communicating to a buyer via the global communications network, a description of a 5 product;

accepting a first request from the buyer to buy the product for a price to be determined within a price range;

accepting a second request from the buyer to allow the price to be determined based upon a performance of the buyer while participating in a Price-Determining-Activity (PDA);

receiving data from the buyer over the global communications network, said data representing the performance of the buyer during the PDA; and

determining the price of the product based at least partially upon the data received, said price being within the price range and scaled to the performance of the buyer.

Examiner asserts that the language of Goldhaber et al. and Marino et al. identified in the last Action (see Paper #22) discloses these aspects. Both Goldhaber et al. and Marino et al. are analogous art because they disclose the claimed features while participating in a sale of a product (or service), as identified in Paper #22. Goldhaber et al. is classified in the same group/subgroup as appellant's invention. Marino et al. is not classified in the same group/subgroup as appellant's invention. However, at the time that the Marino et al. patent was issued, the 705 class as related to business methods

did not exist in the patenting classification scheme. This is only a recent innovation in the classification structure of the U.S. Patent and Trademark Office classification scheme to accommodate changing aspects of technology and inventiveness associated with intellectual property. Also, the identified aspects of appellant's invention that have been correlated with aspects of the Marino et al. patent are consistent with those aspects of Marino et al.

Examiner asserts that this Marino et al. disclosure is analogous art to the claimed aspects of the Appellant's invention.

Therefore, Examiner maintains the rejection.

(a) Appellant argues, on pg. 7-11, Linking the price of a product to a performance during a PDA (Appellant's Claims) is completely different from paying someone for their attention (Marino et al). In the former, the price of the product is not fixed, and the seller hopes to close the sale by allowing the buyer to lower the price based upon the buyer's performance while participating in a PDA. In the latter, the price of the product is fixed, and the seller hopes to close the deal by ensuring the buyer listens to the seller's sales presentation, which is why the seller pays the buyer for the buyer's attention.

Examiner disagrees. Examiner maintains that *paying someone for their attention (Marino et al)* is consistent with *Linking the price of a product to a performance during a PDA (Appellant's Claims)*. In the invention of Marino et al., the seller also hopes to close the sale by allowing the buyer to lower the price based upon the buyer's

performance while participating in a PDA, as presented by Marino et al. in the price determining activity disclosed by:

- after the caller's options are determined and typically before signaling for the call is commenced, a recorded-announcement of an aural or visual nature, or both, is connected to the subscriber's line, the announcement consisting of at least one advertisement (col. 1 lines 44-49);
- after the advertising announcement is completed, the toll call and/or directory assistance call is processed as usual but at a reduced rate of charge or with automatic credit being given to the customer's account (col. 1 lines 54-58)
- billing may be a rate reduction per call or a monthly credit towards some toll service. It is also possible that coupons good for the purchase of merchandise or services could be the form, in whole or in part, in which the caller receives value for his cooperation (col. 2 lines 36-40);
- the local telephone station 11 is used by a local telephone customer, indicated schematically, to whom the billing will be returned which shows his reduced telephone toll charge rate or, alternatively, the lump sum credits he is receiving for listening to, or watching, advertising messages from advertising message system 13 (col. 2 lines 62-67); and
- particularly at the end of each advertisement, one might expect that the customer could be asked to press, for example, the number 9 on his telephone keypad. Also, content in the ad may be arranged hierarchically so that customer can press a button to hear more details of the ad for which more credit can be given (col. 2 lines 22-29).

Therefore, examiner maintains the rejection.

(b) Appellant argues, on pg. 11-12:

Marino et al. seeks to solve the problem of how to recover sufficient revenues to cover the cost of directory assistance calling, other information services, and long-distance service, when faced with a demand to lower such costs (Col. 1, lines 11-25). Hence, in an era of increasing deregulation, the phone companies seek a system that would enable the phone companies to continue to make selected service available. "The above-described problems are solved according to the invention by providing ... at least one advertisement ... After the advertising announcement is completed the toll call and/or directory assistance call is processed as usual but at a reduced rate of charge or with automatic credit being given to the customer's account." (Col. I, lines 39- 58)

... In other words, Marino et al solves the problem of telephone service deregulation by selling advertising space to an advertiser at a higher rate than the phone company discounts the telephone service.

On the other hand, Appellant seeks to create an alternative e-commerce system and method that encourages customers to engage in the buying of products. Appellant solves the problem by providing systems and methods that "allow a potential buyer to engage in competitive/entertaining activities wherein the activities ultimately determine the price of the product or service to be bought, depending on the buyer's performance while participating in the PDA." (Page 3, lines 1-6).

Appellant uses PDAs such as a video game, electronic board game, gambling game, sports bet, etc. to encourage customers to engage in the activity of buying products (Page 9, lines 10-13).

Marino et al simply does seek to solve a problem reasonably pertinent to the particular problem with which the Appellant was involved.

Examiner agrees. Marino et al. does disclose aspects of Appellant's invention that seek to solve a problem reasonably pertinent to the particular problem with which the Appellant was involved.

Therefore, Examiner maintains the rejection.

(c) **Appellant argues**, on pg. 12-13:

The USPTO classification system is some evidence of "non-analogy" or "analogy" of references and cross-references. A cross reference in the official PTO search notes is some evidence of analogy, particularly when "nearly identical classification of the application and references ... are the result of the close similarity in structure and function of the invention and the prior art." (In re Deminski, 796 F.2d 436, 230 USPQ 313 (Fed. Cir. 1986).)

Marino el al is classified by the USPTO in U.S. class 379 (telephonic communications) and subclasses 67 (audio message storage, retrieval, or synthesis), 112 (call traffic recording by computer or control processor), and 84 (at switching facility). On the other hand, classification of Appellant's application is listed under 705

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(data processing: financial, business practice, management, or cost/price determination). Class and subclass terminology used in classifying Marino et al cannot be found anywhere within Appellant's application. Terminology such as telephone communications, audio messages storage, call traffic recoding, and switching facility are completely foreign to the systems and methods of the Appellant's invention. As evidenced by the USPTO's own classification system, Marino et al is a non-analogous reference for the purpose of determining the obviousness of Appellant's claims.

Based on the arguments set forth herein, Appellant submits that Marino et al is clearly a non-analogous reference, and therefore cannot be used to reject Appellant's claims. (Furthermore, the Goldhaber reference which the Examiner also used to reject Appellant's claims, is also non-analogous, for the same reasons Marino et al is non-analogous. That is, Goldhaber, too, is clearly directed to the field of Attention Brokerage (see, e.g., the title of Goldhaber is "Attention Brokerage").) Based on these arguments alone, Appellant submits that the Examiner's rejections should be withdrawn.

Examiner disagrees. The last rejection of Appellant's application identified Goldhaber et al. and Marino et al. as prior art. Goldhaber et al. is classified in the same class and subclass as Appellant's invention. Marino et al. is not classified in the same group/subgroup as appellant's invention. However, at the time that the Marino et al. patent was issued, the 705 class as related to business methods did not exist in the patenting classification scheme. This is only a recent innovation in the classification structure of the U.S. Patent and Trademark Office classification scheme to

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accommodate changing aspects of technology and inventiveness associated with intellectual property. Additionally, the disclosure in Marino et al. does disclose information that is consistent with information disclosed by Appellant (see Paper #22).

Therefore, Examiner maintains the rejection.

2. Appellant argues, on pg. 14-15:

The Examiner's rejections should further be withdrawn, because even if Marino et al was not a non-analogous reference, it nonetheless does not teach or suggest the limitations of Appellant's Claim 1, which requires "determining the price of [a] product [...] said price being [...] scaled to the performance of [a] buyer [...] while participating in a price determining-activity (PDA).

Marino et al does not teach or suggest such a connection between a PDA, a performance during a PDA, and the price of the product. Rather, Marino et al is directed to the field of attention brokerage - that is, paying a customer for the customer's attention.

... In addition to the aforementioned arguments, Marino et al lacks, i.e., does not teach, significant inherent characteristics found in Appellant's recitation of the use of a PDA, in Claim 1, including: 1) uncertainty of actual final cost of the product or service; 2) enhanced cognitive reasoning; 3) high motor skill participation of the user; and 4) competition and/or entertainment qualities.

Examiner disagrees. Marino et al. does disclose the claimed aspects of Appellant's invention, as previously stated by examiner above and in the last Action entered into the Application.

Therefore, Examiner maintains the rejection.

(a) Appellant argues on pg. 15-16:

The final cost of an item is inherently uncertain in the Appellant's recitation of the use of a PDA, in Claim 1 ...

The Appellant's recitation of the use of a PDA, in Claim I, thus teaches that the final cost of an item is inherently uncertain. Buyers are willing to accept the possibility of paying a price within an agreed upon range. The willingness of the buyer to engage in an activity where the buyer faces an uncertainty in the final product price is inherent in PDAs as described in Appellant's application.

Marino et al, on the other hand, does not teach such inherent uncertainty in the final price a customer will pay for a service. A customer, wanting to access telephone service, knows exactly the predetermined fees for such service. The customer makes a definite and certain choice, pressing a key, for the pricing fee they desire to obtain. The only uncertainty associated with Marino et al is in the generation of an advertisement. The following portions of Marino et al, with emphasis added, clearly illustrate this point: "The advertisements are selected from some predetermined technique ..." (Col. I, lines 49-53); "These announcement could also have been chosen on a random basis ..."

(Col. 4, lines 61-64); "Further, ... a round-robin type of sequencing of appropriate advertisements . . ." (Col. 5, lines 10-22).

Thus, Marino et al does not teach such inherent uncertainty in the final price a customer will pay for a service, and this too is a distinction between the attention brokerage teachings of Marino, versus the e-commerce business model of Appellant's claims.

Examiner disagrees. Marino et al. discloses an inherent uncertainty of the final cost in the disclosure:

particularly at the end of each advertisement, one might expect that the customer could be asked to press, for example, the number 9 on his telephone keypad. Also, content in the ad may be arranged hierarchically so that customer can press a button to hear more details of the ad for which more credit can be given (col. 2 lines 22-29).

The customer will not know the final charge (e.g., rate) that he will be charged until he chooses to stop participating in the price determining activity, or the price determining activity is complete.

Therefore, examiner maintains the rejection.

(b) Appellant argues, on pg. 16-18:

Enhanced cognitive reasoning is inherent in the Appellant's recitation of the use of a PDA, in Claim 1 ...

In a typical application, the use of a PDA requires a buyer to answer questions that involve memory access and retrieval. Furthermore, games such as chess or backgammon require a certain level of pre-learned skills coupled with strategic game play. In addition, the ability to make predictions involves comparisons and an understanding and use of the laws of probability.

Alternatively, Marino et al does not teach such inherent enhanced cognitive reasoning such as that found in a PDA.

The following portions of Marino et al, with emphasis added, clearly illustrate this point: "In general ... for listening to, or watching, advertising messages ..." (Col. 2, lines 62-68); "In point of fact, this message may be either an aural or visual nature ..." (Col. 4, lines 1-4); "The local central office ... will play a recorded message as follows: Choose one, two, or three minutes of advertisement by pressing keys 1, 2, or 3 on your telephone pad." (Col. 4, lines 50-54).

In Marino et al customers mindlessly listen or watch advertising messages. The activity of simply listening or watching an advertisement is so devoid of any cognitive reasoning that customers are asked to press a keypad button in order to alleviate boredom and assure that the caller is actually listening. The caller could actually place down the phone, walk away, and return at the appropriate time to press a keypad button in order to receive the requested service fee.

Therefore, Marino et al does not teach such inherent enhanced cognitive reasoning such as that found in a PDA, and this too is a distinction between the

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attention brokerage teachings of Marino, versus the e-commerce business model of Appellant's claims.

Examiner disagrees. Examiner asserts that advanced cognitive reasoning is a trait exhibited by all humans in everyday life. The use of a telephone requires some type of advanced cognitive reasoning in order to establish calls and accomplish goals. The invention of Marino et al. assumes that the listener has advanced cognitive reasoning when it presents advertisements to the user, and the choice of hearing more/additional advertisements which requires the user to give an indication of a selection. Additionally, Appellant does not specifically present claim any language relative to "advanced cognitive reasoning" nor is it specifically identified in the Appellant's specification.

Therefore, examiner maintains the rejection.

(c) Appellant argues, on pg. 18-19:

High-level motor skill participation of the user is inherent in the Appellant's recitation of the use of a PDA, in Claim 1. The following portions of Appellant's application, with emphasis added, clearly illustrate this point: "The "games" are: 5) a classic PacMan video arcade game." (Page 10, lines 8-13); "A classic example of a PDA is a video game..." (Page 14, lines 1-2).

The Appellant's recitation of the use of a PDA, in Claim 1, thus teaches that high motor skill participation of the user is inherent. Typically, video game play involves keen

hand/eye coordination. Players must scan the field of play, anticipate future actions, and make split second movements in order to successively complete the required game tasks. More often than not a video game player is required to manipulate numerous controls having varied functions in order to effectively score well.

On the other hand, Marino et al teaches no such inherent motor skill participation of the user such as those found in a PDA ...

Therefore, Marino et al teaches no inherent motor skill participation of the user such as those found in a PDA, and this too is a distinction between the attention brokerage teachings of Marino, versus the e-commerce business model of Appellant's claims.

Examiner disagrees. Appellant's specification discloses *The activity may be a video game (including audio / visual games), electronic board game, crossword puzzle or other word game, sports bet, card game, or any other activity or combination of activities, and may be performed against the seller, a pre-programmed software opponent, a computer opponent, another buyer competing for the same or a different product, a player participating as a player only and not as a buyer, or anyone or anything else* (pg. 3 last paragraph). Examiner notes that the claim language of claim 1 discloses a "PDA." Examiner maintains that the activity of Marino et al. encompasses a "PDA." Additionally, a high level of motor skill is not specified in the claim language of Claim 1. Additionally, Examiner asserts that advanced cognitive reasoning is a trait exhibited by all humans in everyday life. The use of a telephone requires some type of

advanced cognitive reasoning in order to establish calls and accomplish goals. The invention of Marino et al. assumes that the listener has advanced cognitive reasoning when it presents advertisements to the user, and the choice of hearing more/additional advertisements which requires the user to give an indication of a selection. Additionally, Appellant does not specifically present claim any language relative to "advanced cognitive reasoning" nor is it specifically identified in the Appellant's specification. Also, the disclosure of *any other activity or combination of activities* of Appellant's invention is encompassed the disclosure of Marino et al.

Therefore, Examiner maintains the rejection.

(d) Appellant argues, at pg. 19-20 section (d):

Competition and/or entertainment qualities are inherent in the Appellant's recitation of the use of a PDA, in Claim 1. ...

The Appellant's recitation of the use of a PDA, in Claim 1, thus teaches that competition and/or entertainment qualities are inherent ...

Marino et al, however, does not teach such inherent competition and/or entertainment qualities ...

Based on the arguments set forth herein, and particularly in this Section, Appellant respectfully submits that Marino et al does not teach or suggest "determining the price of [a] product [...] said price being [...] scaled to the performance of [a] buyer [...] while participating in a Price-Determining-Activity (PDA)." Thus, Appellant's

independent Claim 1, and all claims dependent thereon, are patentable over the cited art, and the Examiner's rejections should be withdrawn.

Examiner disagrees. As stated in previous sections by Examiner, Marino et al. discloses the stated claimed aspects of Appellant's invention, as presented in the last non-Final rejection (see Paper #22).

Therefore, Examiner maintains the rejection.

B. Appellant argues, at pg. 21-22:

In the Office Action, the Examiner rejected independent Claim 13, and each claim dependent thereon, as follows: Claims 13-15, 18, 25-26, and 30 were rejected as unpatentable over Goldhaber et al, and further in view of Marino et al (Office Action, [section] 4); Claim 31 was rejected over Goldhaber et al, and further in view of Marino et al and U.S. Patent No. 5,269,521 Rossides (Office Action, [section] 5); Claims 27, and 32-33 were rejected over Goldhaber et al, and further in view of Marino et al and U.S. Patent No. 5,816,918 Kelly et al (Office Action, T7); Claim 17 was rejected as unpatentable over Goldhaber et al, and further in view of Marino et al, Kelly et al, and Rossides (Office Action, [section] 9).

Of the aforementioned claims, only Claim 13 is independent, and the others are dependent thereon. Claim 13 recites "assigning a price to [a] product, said price being scaled to the performance of [a] buyer [...] while participating in a Price-Determining-Activity (PDA)". (Appendix, Claim 13.)

The Examiner has relied on Marino et al as teaching or suggesting these limitations (Office Action, [section] 4), and based on that reliance the Examiner then rejected Claim 13 and all claims dependent thereon as stated above. Appellant respectfully disagrees with the Examiner, because Marino et al does not teach or suggest "assigning a price to [a] product, said price being scaled to the performance of [a] buyer [...] while participating in a Price-Determining-Activity (PDA)".

Appellant's arguments are set forth herein in paragraph VIII.A, and Appellant hereby incorporates the arguments herein by reference.

Based on the arguments set forth herein, Appellant respectfully submits that independent Claim 13, and all claims dependent thereon, are patentable over the cited art, and the Examiner's rejections should be withdrawn.

Examiner disagrees. Marino et al. discloses the claimed features while participating in a sale of a product (or service) in the context of a telephone call to be charged at a reduced charge rate, based on the performance of the caller in the price determining activity, as identified in Paper #22. Specifically, Marino et al. discloses:

- billing may be a rate reduction per call or a monthly credit towards some toll service. It is also possible that coupons good for the purchase of merchandise or services could be the form, in whole or in part, in which the caller receives value for his cooperation (col. 2 lines 36-40);
- the local telephone station 11 is used by a local telephone customer, indicated schematically, to whom the billing will be returned which shows his reduced telephone

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toll charge rate or, alternatively, the lump sum credits he is receiving for listening to, or watching, advertising messages from advertising message system 13 (col. 2 lines 62-67);

- particularly at the end of each advertisement, one might expect that the customer could be asked to press, for example, the number 9 on his telephone keypad. Also, content in the ad may be arranged hierarchically so that customer can press a button to hear more details of the ad for which more credit can be given (col. 2 lines 22-29);
- if the subscriber test in advertising message system 13 determines that the calling party is one who wishes a reduced rate of calling or credit in return for auditing or otherwise receiving advertising, then an appropriate message is generated by the appropriate equipment in system 13 and routed via one of the message trunks through switching systems 14 and 12 to local telephone station 11 (col. 3 lines 61-67); and
- also at the conclusion of the message, the appropriate billing item is generated by the billing portion of the advertising message system 13, and this reduced rate billing and/or credit is accumulated and is sent with the customer's monthly bill to his home (col. 4 lines 16-20).

Examiner asserts that this disclosure is analogous art to the claimed aspects of the invention stated above. Therefore, examiner maintains the rejection.

Therefore, Examiner maintains the rejection.

C. Appellant argues, on pg. 22-23:

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In the Office Action, the Examiner rejected independent Claim 19, and each claim dependent thereon, as follows: Claim 19 was rejected over Goldhaber et al, and further in view of Marino et al (Office Action, [section] 4); Claims 20 and 21 were rejected over Goldhaber et al, and further in view of Marino et al and U.S. Patent No. 5,269,521 Rossides (Office Action, T5); Claim 34 was rejected over Goldhaber et al, and further in view of Marino et al and U.S. Patent No. 5,816,918 Kelly et al (Office Action, [section] 7).

Of the aforementioned claims, only Claim 19 is independent, and the others are dependent thereon. Claim 19 recites a computer server programmed to "assign a price to [a] product, said price being scaled to the performance of [a] buyer [...] while participating in a Price-Determining-Activity (PDA)." (Appendix, Claim 19.)

The Examiner has relied on Marino et al as teaching or suggesting these limitations (Office Action. T4), and based on that reliance the Examiner then rejected Claim 19 and all claims dependent thereon as stated above. Appellant respectfully disagrees with the Examiner, because Marino et al does not teach or suggest a computer server programmed to "assign a price to [a] product, said price being scaled to the performance of [a] buyer [...] while participating in a Price-Determining-Activity (PDA)."

Appellant's arguments are set forth herein in paragraph VIII.A, and Appellant hereby incorporates the arguments herein by reference.

Based on the arguments set forth herein, Appellant respectfully submits that independent Claim 19, and all claims dependent thereon, are patentable over the cited art, and the Examiner's rejections should be withdrawn.

Examiner disagrees. Goldhaber discloses a computer server (col. 4 lines 18-24; col. 8 lines 26-30; col. 9 lines 32-35), as disclosed in section 4 of Paper #22. Additionally, Marino et al. discloses the claimed features of assigning a price to [a] product, said price being scaled to the performance of [a] buyer [...] while participating in a Price-Determining-Activity (PDA)." (Appendix, Claim 19.), as identified in Paper #22, in the disclosure:

- billing may be a rate reduction per call or a monthly credit towards some toll service. It is also possible that coupons good for the purchase of merchandise or services could be the form, in whole or in part, in which the caller receives value for his cooperation (col. 2 lines 36-40);
- the local telephone station 11 is used by a local telephone customer, indicated schematically, to whom the billing will be returned which shows his reduced telephone toll charge rate or, alternatively, the lump sum credits he is receiving for listening to, or watching, advertising messages from advertising message system 13 (col. 2 lines 62-67);
- particularly at the end of each advertisement, one might expect that the customer could be asked to press, for example, the number 9 on his telephone keypad. Also,

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content in the ad may be arranged hierarchically so that customer can press a button to hear more details of the ad for which more credit can be given (col. 2 lines 22-29);

- if the subscriber test in advertising message system 13 determines that the calling party is one who wishes a reduced rate of calling or credit in return for auditing or otherwise receiving advertising, then an appropriate message is generated by the appropriate equipment in system 13 and routed via one of the message trunks through switching systems 14 and 12 to local telephone station 11 (col. 3 lines 61-67); and
- also at the conclusion of the message, the appropriate billing item is generated by the billing portion of the advertising message system 13, and this reduced rate billing and/or credit is accumulated and is sent with the customer's monthly bill to his home (col. 4 lines 16-20).

Examiner asserts that this disclosure is analogous art to the claimed aspects of the invention stated above. Therefore, examiner maintains the rejection.

Therefore, Examiner maintains the rejection.

D. Appellant argues, on pg. 23-24:

In the Office Action, the Examiner rejected independent Claim 35, and each claim dependent thereon, as follows: Claims 35-36, 39, and 41 were rejected over Goldhaber et al, and further in view of Marino et al (Office Action, [section] 4); Claim 37 was rejected over Goldhaber et al, and further in view of Marino et al and U.S. Patent No. 5,269,521 Rossides (Office Action, T5); Claims 38, and 42-44 were rejected over Goldhaber et al, and further in view of Marino et al and U.S. Patent No. 5,816,918 Kelly

et al (Office Action, [section] 7); Claim 40 was rejected over as applied to Claim 35, and further in view of Goldhaber et al, and further in view of Marino et al, and Rockoff:

Design of an Internet-based system for remote Dutch Auctions" (Office Action, [section] 8).

Of the aforementioned claims, only Claim 35 is independent, and the others are dependent thereon. Claim 35 recites "assigning a price to [a] product, said price being scaled to the performance of [a] buyer [...] during a Price Determining Activity (PDA)". (Appendix, Claim 35.)

The Examiner has relied on Marino et al as teaching or suggesting these limitations (Office Action, T4), and based on that reliance the Examiner then rejected Claim 35 and all claims dependent thereon as stated above. Appellant respectfully disagrees with the Examiner, because Marino et al does not teach or suggest "assigning a price to [a] product, said price being scaled to the performance of [a] buyer [...] during a Price Determining Activity (PDA)."

Appellant's arguments are set forth herein in paragraph VIII.A, and Appellant hereby

incorporates the arguments herein by reference.

Based on the arguments set forth herein, Appellant respectfully submits that independent Claim 35, and all claims dependent thereon, are patentable over the cited art, and the Examiner's rejections should be withdrawn.

Examiner disagrees. Marino et al. discloses the claimed features of "assigning a price to [a] product, said price being scaled to the performance of [a] buyer [...] during a Price Determining Activity (PDA)." (Appendix, Claim 19.), as identified in Paper #22, in the disclosure:

- billing may be a rate reduction per call or a monthly credit towards some toll service. It is also possible that coupons good for the purchase of merchandise or services could be the form, in whole or in part, in which the caller receives value for his cooperation (col. 2 lines 36-40);
- the local telephone station 11 is used by a local telephone customer, indicated schematically, to whom the billing will be returned which shows his reduced telephone toll charge rate or, alternatively, the lump sum credits he is receiving for listening to, or watching, advertising messages from advertising message system 13 (col. 2 lines 62-67);
- particularly at the end of each advertisement, one might expect that the customer could be asked to press, for example, the number 9 on his telephone keypad. Also, content in the ad may be arranged hierarchically so that customer can press a button to hear more details of the ad for which more credit can be given (col. 2 lines 22-29);
- if the subscriber test in advertising message system 13 determines that the calling party is one who wishes a reduced rate of calling or credit in return for auditing or otherwise receiving advertising, then an appropriate message is generated by the appropriate equipment in system 13 and routed via one of the message trunks through switching systems 14 and 12 to local telephone station 11 (col. 3 lines 61-67); and

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- also at the conclusion of the message, the appropriate billing item is generated by the billing portion of the advertising message system 13, and this reduced rate billing and/or credit is accumulated and is sent with the customer's monthly bill to his home (col. 4 lines 16-20).

Examiner asserts that this disclosure is analogous art to the claimed aspects of the invention stated above.

Therefore, Examiner maintains the rejection.

E. Appellant argues, on pg. 24-25:

As set forth in Paragraph VII herein, Appellant submits that of the claims rejected in [section] 4 of the Office Action, Claims 11, 25, and 39 are separately patentable from the others because Claims 11, 25, and 39 each recite that the price is determined at least partially upon either "participation of the buyer in" (Claims 11 and 39) or "results of (Claim 25) "an auction." Based on these limitations, Claims 11, 25, and 39 are separately patentable, as is Claim 40 which depends from Claim 39.

Using an auction as an additional factor in determining the price of a product is not obvious over the cited art, because though auctions were known in the art, auctions were not used in combination with a PDA in which the price of a product was scaled to the performance of a buyer while participating in the PDA. The portion of Goldhaber et al relied on by the Examiner in the Office Action to reject these claims (Goldhaber, Col. 4, lines 63 64) merely discloses an auction in the context of attention brokerage, not in

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the context as set forth in Appellant's claims. As stated herein previously, attention brokerage and price reduction represent two completely different fields.

Examiner disagrees. Goldhaber et al. discloses *Bids might also be based on other bids, via an "auction" protocol by empowered bidding agents. The bidding may be explicit or automatic. Viewers may elect to have advertisers bid for their attention or the system may offer bidding without the viewers' knowledge* (col. 4 lines 63-67). Examiner asserts that this disclosure encompasses the claim language of Appellant.

Therefore, Examiner maintains the rejection.

F. Appellant argues, on pg. 25-26:

As set forth in Paragraph VII herein, Appellant submits that of the claims rejected in [section] 5 of the Office Action, Claims 29, 31, and 37 are separately patentable from the others. Similarly, Claim 5 (rejected in [section] 6 of the Office Action), and Claim 33 (rejected in [section] 7 of the Office Action), are separately patentable from the others. Claims 5, 29, 31, 33, and 37 each recite that "the PDA is a video game". Based on these limitations, Claims 5, 29, 31, 33, and 37 are separately patentable.

Using a video game as a Price-Determining Activity is not obvious over the cited art, because though video games were known in the art, video games were not used to determine the price of a product by scaling the price to a performance while participating in the video game. Use of video games as a PDA is not obvious merely because video games are popular.

Furthermore, Claims 29, 31, and 37 were rejected in [section] 5 of the Office Action over the Goldhaber, Marino, and Rossides references, in which the Examiner stated that Claims 29, 31, and 37 "contain the same limitation as Claim 5; therefore, the same rejection is applied". However, the Examiner's only rejection of Claim 5 is in T6 of the Office Action, in which an additional reference is required to reject Claim 5 - namely the Allotafun reference. Thus, the Examiner's rejections of Claims 29, 31, and 37 are further inappropriate for this reason.

Likewise, Claim 33 was rejected in [section] 7 of the Office Action over the Goldhaber, Marino, and Kelly references, in which the Examiner stated that Claim 33 "contains the same limitation as Claim 5; therefore, the same rejection is applied". However, as stated above, the Examiner's only rejection of Claim 5 is in [section] 6 of the Office Action, in which an additional reference is required to reject Claim 5 - namely the Allotafun reference. Thus, the Examiner's rejection of Claim 33 is further inappropriate for this reason.

Examiner disagrees. Appellant argues claims 5, 29, 31, 33, and 37 are separately patentable. Claim 5 is dependent from dependent claim 4 which is dependent from dependent claim 3 which is dependent from independent claim 1; claim 29 is dependent from independent claim 1; claim 31 is dependent from independent claim 13; claim 33 is dependent from dependent claim 32 which is dependent from independent claim 13; and claim 37 is dependent from independent claim 35. All of the parent claims have been rejected under prior art. Each of dependent claims 5, 29, 31,

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33, and 37 claim the PDA is a video game, which is disclosed by the prior art "Allotafun! To Develop Extensive Toy Internet Site;" PR Newswire ; 03 December 1998, which discloses *children and adults of all ages visiting the "fun" site will have the opportunity to play various games and enter contests that will combine product promotion with product purchase* (pg. 1). Claim 5 was rejected in Paper #22. Claims 29, 31, 33, and 39 were each rejected using the same art as used to reject the claimed feature of claim 5.

Therefore, Examiner maintains the rejection.

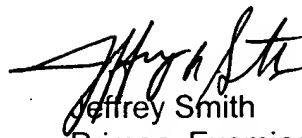
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For the above reasons, it is believed that the rejections should be sustained.


Respectfully submitted,



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